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RUEHBJ/AMEMBASSY BEIJING PRIORITY 7927

RUEHUL/AMEMBASSY SEOUL PRIORITY 6135

RUEHBY/AMEMBASSY CANBERRA PRIORITY 0353

RUEHCHI/AMCONSUL CHIANG MAI PRIORITY 7558

RUEKJCS/SECDEF WASHINGTON DC PRIORITY

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RUEKDIA/DIA WASHDC PRIORITY

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C O N F I D E N T I A L SECTION 01 OF 02 BANGKOK 000207

SIPDIS

STATE FOR EAP/MLS, NSC FOR WALTON

E.O. 12958: DECL: 01/25/2020

TAGS: PREL PGOV TH

SUBJECT: THAILAND: NO STANDARDS WHEN IT COMES TO "OWNING"

RESTRICTED LAND

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Classified By: DCM JAMES F. ENTWISTLE, REASON 1.4 (B) AND (D)

¶1. (U) Summary: In recent weeks, the United Front for Democracy Against Dictatorship (UDD, or "red-shirts") has targeted Privy Councilors Surayud Chulanon and Prem Tinsulanonda and their alleged encroachment on protected national parks to highlight the issue of illegal land holdings in Thailand, called attention to UDD claims of judicial "double standards," and fired another shot against the "elite" they seek to cut down to size. While Surayud threw in the towel after the Forestry Department ruled against him, giving up his house, it is becoming increasingly clear that Prem and Surayud are not the only former Prime Ministers or members of the Thai establishment who have benefited from lax land registry standards in recent decades.

Indeed, two political patrons of the red movement, current Puea Thai chairman Chavalit Yongchaiyut and fugitive former Prime Minister Thaksin Shinawatra, both have been accused of similarly shady land deals in the past. The problem is actually much wider than that, potentially involving tens of thousands of Thai of various social standings and political affiliations.

¶2. (C) Comment: Ironically, the first official complaint about Surayud's land holding came not from the red-shirts but by one of the political figures behind the yellow-shirt movement, Prasong Sunsiri, who raised the issue in 2007 in the interim National Assembly when Surayud served as interim premier. One characteristic which both yellow-shirts and red-shirts share is a stated aversion to politics as usual, and Surayud clearly misread the changing reality of politics in Thailand and the loss of legitimacy in the public eye such scrutiny could entail, both personally and to the institution he serves as Privy Councilor - the monarchy. However, while the red-shirts might well score some tactical victories by drawing attention to the cushy land deals of the "amart" (a Thai term perhaps best translated as "aristocratic bureaucratic elite," used by the UDD to refer specifically to the Privy Council and others around the institution of monarchy), the illegal land use issue cuts both ways, and more. "No standards" rather than "double standards" appears to be the most appropriate characterization. Given the scale of the problem, a systemic solution/overhaul of land registry system would seem to be the answer, but does not seem likely in the short term. End Summary and Comment.

SURAYUD AS TEST CASE, PREM ALSO A TARGET

¶13. (U) The red-shirts kicked off 2010 by shining a bright public spotlight on former Prime Minister and current member of the Privy Council Gen. Surayud and his vacation home inside Khao Yai Tieng National Park in Nakhon Ratchasima Province. In 2007, state authorities had dismissed a complaint that Surayud's property encroached on protected forest land; prosecutors said at the time that Surayud did not mean to break the law when he acquired the land. The Thai Government in 1975 had passed a resolution granting 15-rai (5.9 acre) plots of land in the park to local villagers on the condition that they were not allowed to sell the land; it could only be passed to legal heirs. The land had changed hands twice before Surayud acquired it in 2002, and he allegedly had 22 rai (8.6 acres) of land, according to media reports.

¶14. (U) The UDD protested in front of Surayud's vacation home on January 11. They also rallied at Government House on January 20, demanding that Prime Minister Abhisit Vejjajiva take legal action against Surayud for trespassing. Their efforts paid off when the Forest Department ruled on January 20 that Surayud was not authorized to occupy the land and had 30 days to return the land. Surayud had insisted that he would vacate the property only if compelled by the proper authorities. Two days after the Forestry Department ruling, he did so.

¶15. (U) Privy Council President Prem Tinsulanonda was also the subject of red-shirt protests January 23-24 as a result of his affiliation with a golf course controlled by Bangkok Bank

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(Prem is on the board) that his opponents said encroached on forest land on the Khao Soi Dao forest preserve.

THAKSIN, CHAVALIT NOT INNOCENT EITHER

¶16. (SBU) As it turns out, the red-shirts could have held similar protests against their chief political sponsor, Thaksin, and the chair of their affiliated Puea Thai party, GEN Chavalit. Some commentators suggested the red-shirt action against Surayud was tit-for-tat retaliation for Democrat actions against Thaksin and his controversial ownership stake in the Alpine Golf and Sports Club in Pathum Thani Province. The original owner granted the land to a Buddhist monastery in her will; the monastery could not afford the property tax, however, and transferred the land to a foundation. Sanoh Thienthong, current head of the Pracharaj Party but former member of Thaksin's Thai Rak Thai party, then purchased the land from the foundation in 1990 when he was the Deputy Interior Minister and built the golf course.

¶17. (SBU) Thaksin subsequently acquired the land from Sanoh before he became prime minister. The Council of State ruled in 2001 that the land belonged to the monastery, however, and the private ownership should be nullified. With Thaksin in control of relevant bodies (one of the key officials who squelched the finding was none other than Somchai Wongsawat, Thaksin's brother-in-law and briefly PM in 2008), the issue then fell off the public radar until mid-2009. A group of Democrat parliamentarians petitioned PM Abhisit to look into the ownership question, and the Department of Land reportedly submitted a letter last September requesting the Council of State ruling be upheld.

¶18. (SBU) Current head of the opposition Puea Thai and former Prime Minister (and army chief) Chavalit is reputed to have built a number of houses on restricted land across Thailand during his tenures as Army Chief and Prime Minister. During a 2002 trip to Songkhla province, a local Thai contact

pointed out a solitary house built on an otherwise untouched green mountainside in a restricted area; Chavalit had ordered active-duty engineering troops to cut a special road to his house, further damaging the reserve, our contact grumbled.

POTENTIALLY UNLEASHING A FLOOD

¶ 9. (SBU) Issues of illegal land ownership are not confined to just the two primary sides of Thailand's fractious political scene. Dr. Krasae Chanawongse, a former Foreign Minister and Health Minister and lifelong rural development activist, told us January 20 that in Thailand, as in many developing countries, land ownership was often not clearly defined. Dr. Krasae suggested there were local elites in all corners of the country, in every province, in similar situations. Resolution of the underlying issue should force a systemic rethink of land ownership concepts across Thailand, he said.

¶ 9. (SBU) Tellingly, of the 237 plots in Khaoyai Tieng originally allocated in 1977, only two remained in the hands of the original qualified owners, according to Forestry Deputy Director-General Chonlathit Surasawadee, a stunning 99 percent turnover rate. It is not just politically connected elites and former generals involved in such deals. Several members of the media in the northeastern province of Khon Kaen told us January 20 "that even journalists" held similar properties and could be affected by any sweeping changes to land ownership regulations and enforcement introduced as a result of these protests. An unnamed lawyer told the Bangkok press that all of Thailand's jails would not be sufficient to detain the offenders if all cases of illegal occupation of land in situations similar to Surayud's were prosecuted; another media estimate put the number of land owners involved at over 100,000.

JOHN